

Summary Sheet

Name of Committee and Date of Committee Meeting

Cabinet and Commissioners Decision Making Meeting – 17 September 2018

Report Title

July Financial Monitoring Report 2018/19

Is this a Key Decision and has it been included on the Forward Plan?

Yes

Strategic Director Approving Submission of the Report

Judith Badger, Strategic Director of Finance and Customer Services

Report Author(s)

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Ward(s) Affected

All

Executive Summary

This report sets out the financial position as at the end of July 2018 and is based on actual costs and income for the four months April to July 2018 with forecasts for the remaining 8 months of the financial year. Financial performance is a key element within the assessment of the Council's overall performance framework, and is essential for the achievement of the objectives within the Council's Policy Agenda. For that reason, this report is part of a series of monitoring reports for the current financial year which will continue to be brought forward to Cabinet on a regular basis.

As at July 2018, the Council is expecting to deliver a balanced General Fund budget by the financial year-end, after taking account of the £10m budget contingency approved within the 2018/19 budget.

However, to achieve this position has required a number of mitigating savings actions and further spending reductions to be identified and implemented across all Council services, in order to offset the impact of a range of cost and demand pressures impacting on the Council's budgets.

The overspending against budget in Children's and Young People's Services Directorate is continuing in the current financial year as a result of demand for services outstripping budget capacity. The number of children in care continues to increase this financial year and has reached 649 at the time of writing this report. The increased number of Looked after Children also places significant pressure on Legal Services within the Finance and Customer Services Directorate. The current forecast overspend for Legal Services is £1.230m. The Finance and Customer Services Directorate overall is forecasting to outturn within budget after putting into place a range of mitigating actions to compensate for the legal service forecast overspend.

The Adult Care Services Directorate are forecasting an overall overspend of £6.221m. A combination of increased client numbers, the rising cost of care packages, and delays in delivery of savings plans have led to pressure on budgets across all client groups. A recovery plan has been developed to address previously undelivered savings and project plans are currently being finalised with the expectation that further savings will be identified from this activity.

Regeneration and Environment Directorate is forecasting a balanced budget, although it is facing challenges from a combination of declining business from the School Meals service and challenges with delivery of budget savings.

Mitigating actions to deliver a balanced budget position, after use of the budget contingency are set out in Table 1 and described in Paragraph 3.9 of the report.

Recommendations

1. That Cabinet note the forecast General Fund balanced budget position after use of the budget contingency.
2. That Cabinet note that management actions continue to address areas of overspend, provide enhanced controls over all spend and to identify alternative and additional savings.
3. That Cabinet approve the alternative budget savings proposals for Regeneration and Environment, and Finance and Customer Services as referenced in paragraph 3.4.3 and 3.6.7.
4. That Cabinet note the updated Capital Programme.

List of Appendices Included

None

Background Papers

Revenue Budget and Council Tax Setting Report for 2018/19 to Council 28th February 2018

Revenue Budget 2018/19 May Financial Monitoring Report to Cabinet and Commissioners' Decision Making Meeting 9th July 2018

Consideration by any other Council Committee, Scrutiny or Advisory Panel N/A
Overview and Scrutiny Management Board – 3 October 2018

Council Approval Required

No

Exempt from the Press and Public

No

July Financial Monitoring Report 2018/19

1. Recommendations

- 1.1 That Cabinet note the forecast General Fund balanced budget position after use of the budget contingency.
- 1.2 That Cabinet note that management actions continue to be developed to address areas of overspend, provide enhanced controls over all spend and to identify alternative and additional savings.
- 1.3 That Cabinet approve the alternative budget savings proposals for Regeneration and Environment, and Finance and Customer Services as referenced in paragraph 3.4.3 and 3.6.7.
- 1.4 That Cabinet note the updated Capital Programme.

2. Background

- 2.1 As part of its performance and control framework the Council is required to produce regular and timely reports for the Strategic Leadership Team and Cabinet to keep them informed of financial performance so that, where necessary, actions can be agreed and implemented to bring expenditure in line with the approved budget for the financial year.
- 2.2 Delivery of the Council's Revenue Budget, Medium Term Financial Strategy (MTFS) and Capital Programme within the parameters agreed by Council is essential if the Council's objectives are to be achieved. Financial performance is a key element within the assessment of the Council's overall performance framework.
- 2.3 This report is part of a series of financial monitoring reports to Cabinet for 2018/19, setting out the projected year-end revenue budget financial position in light of actual costs and income for the first four months of the financial year. This report includes with revenue forecasts, details of capital spending and the projected capital outturn position.
- 2.4 The current revenue position after four months shows a forecast balanced revenue budget after taking account of the £10m budget contingency approved within the 2018/19 budget. Work continues to identify further savings to improve this position further by the financial year end.

3. Key Issues

- 3.1 Table 1 below shows, by Directorate, the summary forecast revenue outturn position after management actions which have already been quantified and implemented.

Table 1: Forecast Revenue Outturn 2018/19 as at July 2018

| Directorate / Service | Budget 2018/19 | Forecast Outturn 2018/19 | Forecast Variance over / under (-) |
|---|---------------------------|---|---|
| | £'000 | £'000 | £'000 |
| Children & Young People's Services | 57,386 | 70,410 | +13,024 |
| Adult Care & Housing | 59,453 | 65,674 | +6,221 |
| Public Health | 16,014 | 16,014 | 0 |
| Regeneration & Environment Services | 38,916 | 38,916 | 0 |
| Finance & Customer Services | 15,398 | 15,398 | 0 |
| Assistant Chief Executive | 6,857 | 6,642 | -215 |
| Central Services, Capital Financing and Treasury Management | 18,051 | 16,251 | -1,800 |
| SUB TOTAL | 212,075 | 229,305 | 17,230 |
| Budget Contingency (£4.8m budget, £5.2m reserves) | 4,800 | (5,200) | -10,000 |
| TOTAL | 216,875 | 224,105 | 7,230 |
| Additional in-year cost reduction activity : | | | |
| Recruitment controls, reduction in use of agency staff | | | -1,000 |
| Various savings from reductions in general spend by all services | | | -1,017 |
| Review of financing options including PFI schemes, staff severance payments | | | -2,300 |
| Use of Directorate balances | | | -4,000 |
| Balance representing reduced call on £5.2m reserves within contingency | | | 1,087 |
| = Net Balanced Budget | | | 0 |
| | | | |
| Dedicated Schools Grant | | | 3,489 |
| Housing Revenue Account (HRA) | 82,312 | 82,312 | 0 |

The following section (paragraphs 3.2 to 3.7) provide further information regarding the key reasons for forecast under or overspends within Directorates, and the progress of savings delivery and how the Council plans to deliver a balanced budget by the end of the financial year.

3.2 Children & Young People's Directorate (£13.0m forecast overspend)

- 3.2.1 Children's and Young People's Services are forecast to have an overspend of £13.024m for the full financial year. This has increased from the forecast in month 3 as a result of updated analysis of the number of children in care and where they are placed, taking into account the expected movements for the year through initiatives taken in the service, such as Right Child, Right Care.
- 3.2.2 Demand on the service has remained high and has continued to rise across all key areas which include; children in need of help and protection and children requiring care. Demand seen at the front door through to children in care and in key service areas is significantly high when compared to the Council's nearest and statistical neighbours with the number of looked after children ('LAC') significantly higher than neighbours.
- 3.2.3 The increased overspend is chiefly attributable to this continuing rise in the number of children in care, which has risen to 649 a net increase of 33 since the start of this financial year. The increase in July was 21 children.
- 3.2.4 It should be noted that the position has been exacerbated by a significant amount of placements that have arisen from the complex child protection work and associated interventions with further cases related to Operation Stovewood. Further, it has to be emphasised that Rotherham is not significantly out of step with many local authorities throughout the country in experiencing a significant increase in the numbers of LAC.
- 3.2.5 A budget saving of £750k was agreed for a review of Business Support as part of the 2017/18 budget. To date £200k has been achieved from existing staff turnover leaving a balance to address (£550k). There is an ongoing review of business support across Children's Services to implement a long term and sustainable service in the future which will be completed in September (Phase 1) with Phase 2 planned for next financial year.
- 3.2.6 The number of young people requiring support from the Leaving Care service has increased significantly in the last two years, the Government's new responsibilities placed on Councils increasing the provision up to the age of 25 has also increased costs. In addition unit costs for supported accommodation have increased, all leading to a current forecast overspend of £2.1m.

- 3.2.7 The service is currently undertaking a targeted initiative - 'Right Child, Right Care' - which is profiled to result in a significant net reduction in LAC. It should be emphasised that this is not a drive to reduce the numbers of children in care in Rotherham per se but rather a process to ensure that the children in the Council's care are in the right placements for their needs. This intervention, if successful, could reduce placement spend by £7.5m full year effect. The in-year impact in 2018/19 is forecast to be significantly less – approximately £2m – and is dependent on the timing of discharges and the mix and associated unit cost of care placements, this is being monitored on a regular basis to ensure that the savings are being achieved.
- 3.2.8 There is currently a pressure within Early Help but the completion date for the review is now set as February 2019. The pressure is currently being reduced through effective vacancy management, leaving a balance of £194k reported in this monitoring round. There remains a pressure in respect of Child Arrangement Orders, predominantly due to the increase in LAC (£393k), together with a pressure with regard to transport provision which will be addressed by the corporate review of the service (£285k). There is also additional, unbudgeted grant income with regard to unaccompanied asylum seeker Children's grant (£164k).
- 3.2.9 Budget review meetings continue and have identified a number of further budget savings options and considerations for this financial year. A challenging examination of potential efficiencies is continuing to take place, recognising the need for these to be thoroughly reviewed, discussed and considered so that the Directorate can bring forward options for immediate implementation. Proposals are being actively pursued to identify savings in the current financial year, having due regard for the continued safeguarding of vulnerable children.

3.3 Dedicated Schools Grant

- 3.3.1 The Directorate is currently forecasting an over spend on its Dedicated Schools Grant (DSG) High Needs Block of £3.489m, this is an increase from the previously reported figure of £2.950m, mainly as a result of additional placement costs.
- 3.3.2 Both the Early Years and the Schools' block are expected to be broadly in line with allocations in 2018/19.
- 3.3.3 The overall deficit on the non-delegated DSG at the end of the financial year 2017/18 was £9.687m, and comprised as follows:
- Early Years Block: £0.032m Underspend
 - Schools Block: £0.328m Underspend
 - High Needs Block: £10.047m Overspend
- 3.3.4 The service has developed a recovery plan which aims to mitigate as far as possible the in-year pressures on the High Needs Block and a reduction in the overall cumulative deficit by April 2019. The key areas of focus which will deliver the targeted deficit reduction by April 2019 include:

- A revised Special School funding model;
- A review of high cost out of authority education provision to reduce cost and move children back into Rotherham educational provision; and
- A review of inclusion services provided by the Council.

3.4 Regeneration and Environment Directorate (Forecast balanced budget)

3.4.1 The Regeneration and Environment Directorate has approved savings of £3.827m to deliver in 2018/19 as well as savings requirements from previous years. This is a challenging position for the Directorate, and in order to meet this challenge, the Directorate will continue the tight financial discipline that enabled it to outturn within budget in 2017/18. Budget monitoring has, however, highlighted some significant pressures, many of which arise from delays in delivery of savings.

3.4.2 The major pressures are as follows:

- Facilities Management (£1.033m). The 2018/19 budget includes a £1m saving on property arising from service reviews within other Council services. A pressure of £810k is being reported in respect of this saving, as a result of delays in concluding the service reviews. The savings are expected to be achieved in the long term, but their delivery has been delayed. In addition, a pressure of £140k is being reported in respect of a saving to let office space at Riverside House, as a result of the proposed tenant withdrawing.
- Catering service (£623k). This arises from a number of factors: restrictions on increasing income on services provided to PFI schools; in addition, there is a continuing impact of the loss of contracts resulting from academy conversions, where academy chains have alternative provider arrangements in place.
- Street Scene Services (£357k). This is mainly in respect of continuing additional demand pressures on Home to School transport, which was also a pressure in 2017/18.
- Regulation and Environment (£162k), principally as a result of a £146k pressure on Licensing. This is in respect of additional legal costs and Counsel fees, forecast under recovery of income against the budget and additional vehicle testing costs.

3.4.3 In order to try to mitigate these pressures the Directorate Management team will continue to keep a tight control on budgets, limit officers to essential spending and have identified some non-recurring underspends including:

- Holding vacant posts where this can be done without significantly impacting on service delivery;
- Additional income in Building Consultancy;
- Other windfall income

In addition, as part of delivery of savings, it has been agreed to charge for car parking at the 2018 Rotherham Show.

It is envisaged that these actions will enable the Directorate to deliver a balanced budget by year end.

3.4.4 The following alternative savings are proposed to replace savings which are not being delivered as originally planned and approved.

- Charge for street naming (property addressing) £20k – the additional income is not being met due to reduced applications. This will be mitigated by the delivery of additional income following the Government's decision to increase planning fees for 2018/19.
- Increase in Local Land Charge (search) fees £50k – the additional income is not being delivered due to a reduction in volumes. This will be offset by the delivery of additional planning income following the Government's decision to increase planning fees for 2018/19.
- Increasing number of applications and incidental fees, and review fees and charges £20k – this is not being met due to reduced volumes. This will be mitigated by deleting a vacant post.
- Software savings by migrating information to an App £14k – to be mitigated by a reduction in equipment budgets in licensing.

3.5 Adult Care & Housing (£6.221m overspend)

3.5.1 Adult Care Services are currently forecasting an overall overspend of £6.221m in 2018/19 (after allocation of £5.9m of the additional Better Care Funding).

3.5.2 Whilst there were no new budget savings for Adult Care agreed within 2018/19 budget setting, there are £3.224m of savings agreed in previous years to take effect in 2018/19 in addition to the £7.346m agreed in 2017/18. The forecast overspend for 2018/19 includes an anticipated shortfall of £7.393m in the delivery of these accumulated budget savings within the current financial year.

3.5.3 The main reasons for the delayed delivery of savings are the complexity, rather than the volume of new cases (including transition) – as the overall customer base has been relatively static. Also, contributing to the delay is historical assessment practice across all cohorts; in terms of over reliance on residential care, poor application of self-directed support and over provision of care hours.

3.5.4 Neighbourhood services' (Housing General Fund) latest forecast is a small favourable variance against budget, which is included in the overall Directorate position. This arises from minor savings on vacancies in the Strategic Housing and Development and Housing Options services.

Adult Care – Recovery Strategy

3.5.5 Adult Care recognises that the primary pressures on its budget centre on previously undelivered savings. As a result, a suite of high level project plans have been developed to address the savings challenge covering:

- 1) Review of Learning Disability Services – My Front Door
- 2) Right sizing care packages
- 3) Propose the decommissioning of in-house residential homes which will include the re-provision of an intermediate care offer
- 4) Resource/Operating Models

Digital Transformation, Work Force Development and the Intermediate Care and Re-ablement Pathways will be enablers to these. This will be in line with the Rotherham Integrated Health and Social Care Place plan priorities. In addition, new savings options will be identified and fall out of this activity to meet the 2019/20 and 2020/21 requirements.

Public Health (Forecast Balanced budget)

- 3.5.6 The Public Health ring fenced specific grant was further reduced by a further £430k to £16.304m for 2018/19.
- 3.5.7 The latest forecast is an overall balanced budget which includes a budgeted transfer from the Public Health Grant reserve of £441k in order to achieve a balanced budget. There are some forecast pressures within Drugs and Alcohol and Tobacco control but these are being offset by underspends within Children's obesity and staff vacancies with the Public Health team.
- 3.5.8 Budget savings agreed as part of the budget setting process for 2018/19 totalling £0.653m are forecast to be fully achieved in year.

3.6 Finance & Customer Services (Forecast Balanced Budget)

- 3.6.1 Although, as at the July monitoring, F&CS Directorate is forecasting a balanced outturn position, the Directorate currently has an underlying overspend of £1.117m as a result of the ongoing pressures on Legal Services from Children's Services. Significant challenges exist within this department from the continued growth in the number of Looked After Children, the related child protection hearings and court fees and costs. Ongoing recruitment to vacancies within the department is proving difficult and, in the interim, there is heavy reliance on locum solicitors alongside a temporary arrangement with Sheffield City Council, which comes at a premium cost.
- 3.6.2 Further to this, a Peer Review of legal support to Adult Social Care has identified the need for additional legal staffing resource in this area. It is envisaged that these financial pressures will not diminish until the current resourcing problems are resolved, and the volume of social care proceedings begins to reduce. July 2018 did see a reduction in the level of court proceedings and, should this trajectory continue, it is hoped that the financial position will improve accordingly. Work is ongoing to identify ways of reducing demand for legal advice, coupled with a review of the management structure within the department, with the aim of better controlled use of resources.
- 3.6.3 Legal Services also have pressures in respect of Statutory Costs, where the forecast overspend is currently projected at £50k as a result of the volume of statutory and planning notices. A review into the demand drivers for this area of cost is planned, to better inform decision making and thus control spend.

- 3.6.4 Within Customer Information and Digital Services delays in the implementation of a number of historic savings decisions have led to cost pressures. A complete review of Digital Services management and staffing structures is underway alongside a revised Digital Strategy and consideration of current commitments and service demand. Most of the issues associated with the savings have now been resolved.
- 3.6.5 Loss of income from Schools Traded Services following conversion of schools to academies and their withdrawal from purchasing Council services is creating a pressure of £153k within Financial Services. A review is underway to assess charges and evaluate the viability of the current offering of services to schools and academies. The overspend in this area is currently offset by a projected over-achievement of income from the recovery of Housing Benefit overpayments, combined with forecast reduced costs for pension charges relative to former employees and vacancy control.
- 3.6.6 As a result of robust management actions the Directorate had identified and implemented mitigating actions to address £622k of the current overspend as at the end of July. Further work has identified further savings/cost reductions of £323k, leaving £172k to address. Work continues on a range of options to mitigate the remaining £172k and ensure that the Directorate delivers a balanced budget by the end of the financial year.
- 3.6.7 The following alternative savings are proposed to replace savings which are not being delivered as originally planned and approved.
- Financial Services support packages to academies and other maintained schools £19k – due to the transfer of a number of schools to academy status, the income is not being achieved. This will be mitigated by a reduction in staffing resources.
 - Legal Services Business Support Team - £49k – the income generation originally proposed is not being met. Therefore, an alternative savings delivery is proposed which will be to remove budget provision for an ePost IT contract and to merge the print and post teams, allowing the deletion of one full time equivalent post.

3.7 Assistant Chief Executive (£0.215m Forecast Underspend)

- 3.7.1 The Assistant Chief Executive's Directorate are forecasting a budget underspend of £0.2m (compared with breakeven as at May). This is attributable to underspends within HR from a considerable number of staff vacancies and an assumption from this month in light of stricter recruitment controls that to support the overall Council financial position, some posts will be held vacant for longer than previously forecast. It is worthy of note that, given the amount of staff turnover within this department, the forecast underspend could increase if recruitment is deferred further.
- 3.7.2 Vacancies within Business and Innovation Team are, however offset by planned expenditure on external resources, whilst a delay in delivery of savings within the Management Support Team will be met from savings elsewhere across the Directorate.

3.7.3 It should also be noted that a restructure within HR consultancy has delivered an in-year saving that will be removed from the budget in 2019/20 to contribute to future funding pressures

3.8 Central Services (£1.8m Forecast Underspend)

3.8.1 As highlighted in previous financial reports to Cabinet and Council over the past year a thorough review has been undertaken of all the Council's Central Services Budgets and Provisions, Corporate Funding and Accounting and Apportionments, including classification of expenditure between revenue and capital and between HRA and General Fund. Savings from these reviews fed into the updated Medium Term Financial Strategy reported to Cabinet in July. Capital financing decisions made as part of the 2017/18 financial outturn, along with further savings from treasury management activity and finalisation of inflation funding requirements results in a further saving of £1.8m in 2018/19.

3.9 Achieving a Balanced Budget in 2018/19

3.9.1 A range of actions December 2017 and into the Budget Report 2018/19 to Cabinet and Council in February 2018.

3.9.2 Strategic have been put into place as part of mitigating budget pressures and maintaining total expenditure within budget. These include :

- Further controls on recruitment and a reduction in the use of agency staff
- Reductions in general spend across all Council services
- Review of financing options, including PFI schemes and staff severance payments
- Use of Directorate balances with re-provision for any liabilities to be funded by those balances being reprovided in future years.

These actions are expected to ensure the delivery of a balanced budget for 2018/19 as described within this report.

3.10 Housing Revenue Account (HRA) – (Forecast Balanced Budget)

3.10.1 The Housing Revenue Account is a statutory ring-fenced account that the Council has to maintain in respect of the income and expenditure incurred in relation to its council dwellings and associated assets. The Housing Revenue Account is forecast to outturn in budget. There are some potential minor pressures but there are plans in place to mitigate against these should they arise.

3.11 Capital Programme

3.11.1 The Capital Programme for 2018/19 totals £112.027m split between the general fund £68.075m and HRA £43.952m. The breakdown by Directorate is shown in Table 2 below with the summary Programme funding

3.11.2 As at the end of July 2018 there are no significant variances of capital expenditure against budget. However, there are a number of grant funded additions to the Programme since the Programme was reported to Cabinet in July 2018. These are set out below and summarised within the updated Capital Programme across the period 2018/19 to 2021/22 is shown in Table 5.

Table 2 – Updated Capital Programme 2018/19 as at July 2018

| Directorate | 2018/19 Budget £m |
|---|----------------------------------|
| Children and Young People's Services | 10.243 |
| Assistant Chief Executive | 1.324 |
| Adult Care & Housing | 4.147 |
| Finance and Customer Services | 3.747 |
| Regeneration and Environment | 47.803 |
| Flexible Use of Capital Receipts for Transformation | 2.000 |
| Total General Fund Capital | 69.264 |
| Total HRA Capital | 43.952 |
| Total RMBC Capital Programme | 113.216 |

3.11.3 The £112.027m of capital expenditure was funded as shown in the table below:

Table 3 Funding of the approved Capital Programme

| Funding Stream | 2018/19 Budget £m |
|-------------------------------------|----------------------------------|
| Grants and Contributions | 21,192 |
| Unsupported Borrowing | 37.368 |
| Capital Receipts | 10.704 |
| Revenue Contributions | 0 |
| Total Funding - General Fund | 69,264 |
| Grants and Contributions | 4.025 |
| Housing Major Repairs Allowance | 12.759 |
| Useable Capital Receipts | 2.435 |
| Revenue Contributions | 24.733 |
| Total Funding - HRA | 43.952 |
| Total | 113.216 |

3.11.4 The Council is continuing to undertake a comprehensive review of its assets and buildings portfolio with the aim of rationalising both its operational and non-operational asset holdings. This may contribute future capital receipts which are earmarked to support the revenue budget, using the new capital receipts flexibilities introduced from the 1st April 2016 to fund expenditure relating to transforming Council service to generate future revenue efficiency savings

In 2018/19 to date General Fund Capital receipts of £0.631m have been generated as shown in the table below. Although, a loan repayment of £0.606m has been received in 2018/19, this cannot be used to support the revenue budget as only those receipts by the disposal of property, plant and equipment can be used in that way.

Table 4 – General Fund Capital Receipts Received in 2018/19

| Description | Un-earmarked as at 30 th June 2019 £m |
|--|---|
| Land at White Hill Lane, Brinsworth | 0.025 |
| | |
| Sub Total – Usable In-Year Capital Receipts | 0.025 |
| Repayment of Loans | 0.606 |
| Total Capital Receipts | 0.631 |

3.11.5 Revised Capital Programme 2018/19 to 2021/22

Following the approval of the capital budget and roll-forward position for 2018/19 there have been a number of additional schemes incorporated into the Programme. These adjustments have been detailed within the tables below, showing the impact upon each financial year.

The additions to the capital programme are all grant funded schemes, which are added to the Capital Programme on an ongoing basis in accordance with the tables below show the new inclusions by Directorate

The four year capital programme is fully committed with all known grants, balances of capital receipts (GF) forward and approved prudential borrowing allocated to specific schemes within the programme. There is no scope to commit further capital resources without a review and rationalisation of the existing programme.

Table 5 – Updated Capital Programme 2018/19 to 2021/22

| Directorate | 2018/19 Budget | 2019/20 Budget | 2020/21 Budget | 2021/22 Budget | Total Budget |
|--------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|
| | £m | £m | £m | £m | £m |
| General Fund Capital | | | | | |
| Children and Young People's Services | 10.243 | 9,806 | 11.472 | 2.406 | 33.927 |
| Assistant Chief Executive | 1.324 | 0.210 | 0.210 | 0.210 | 1.954 |
| Adult Care & Housing | 4.147 | 5.976 | 11.976 | 6.116 | 28.215 |
| Finance and Customer Services | 3.747 | 2.054 | 1.775 | 1.775 | 9.351 |
| Regeneration and Environment | 47.803 | 43.223 | 29.320 | 20.000 | 140.346 |
| Capitalisation Direction | 2.000 | 2.000 | 2.000 | 0.000 | 6.000 |
| Total General Fund Capital | 69,264 | 63.269 | 56.753 | 30.507 | 219,793 |
| HRA Capital | | | | | |
| Total HRA Capital | 43.952 | 39.881 | 28.112 | 22.275 | 134.220 |
| Total RMBC Capital Programme | | | | | |
| | 113.216 | 103.150 | 84.865 | 52.782 | 354.013 |

New Inclusions

Children and Young People's Services

| Children and Young People's Services | 2018/19 £m | Post 2018/19 £m |
|---|-----------------------|--------------------------------|
| New Inclusions / Additions | | |
| • BASIC Needs allocation – Grant funding Confirmation, Increase in funding. | 0.000 | 4.045 |
| • Abbey School grant funding | 0.300 | 0.000 |
| Total | 0.3 00 | 4.045 |

Regeneration and Environment

| Regeneration and Environment | 2018/19 £m | Post 2018/19 £m |
|--|---------------|-----------------------|
| New inclusions / Additions | | |
| • SCR Local Transport Fund – New Grant Funding | 1.189 | 0.000 |
| • Alexandra Play Area | 0.007 | 0.000 |
| • Barkers Park Changing Rooms Refurbishment | 0.010 | 0.000 |
| • Growth Fund | 0.500 | 0.000 |
| • Sanctuary Fields S 106 | 0.005 | 0.000. |
| | 1.711 | 0.000 |

4. Options considered and recommended proposal

- 4.1 The Council is currently forecasting a balanced financial outturn for 2018/19. However to any extent that planned savings are not delivered and a balanced budget cannot be maintained for 2018/19, there will be an impact on the Councils reserves. With the current financial climate, effective and careful use of reserves is ever more critical to the Council's ability to maintain a robust balanced budget.

5. Consultation

- 5.1 The Council consulted extensively on budget proposals for 2018/19. Details of the consultation are set out within the Budget and Council Tax 2018/19 report approved by Council on 28th February 2018

6. Timetable and Accountability for Implementing this Decision

- 6.1 Strategic Directors, Managers and Budget Holders will ensure ongoing tight management and close scrutiny of spend this financial year.
- 6.2 Financial Monitoring reports are taken to Cabinet/Commissioner Decision Making meetings during the year. The next Financial Monitoring Report with the position as at the end of September 2018 will be considered by Cabinet on 19 November 2018.

7. Financial and Procurement Implications

- 7.1 There is currently a projected balanced financial outturn for 2018/19..
- 7.2 If, however, the budget and planned savings and spend reductions are not delivered as intended, there will be an impact on the Council's reserves, as any expenditure in excess of budget impacts reserves levels. Control over spending is therefore critical to a robust Medium Term Financial Strategy. All savings are being closely monitored and tracked, with all areas at risk of shortfall subject to review to identify alternative options.

7.3 Failure to achieve planned savings and to contain revenue expenditure within the agreed budget for this financial year will have further implications for financial years 2019/20 and 2020/21, where the MTFs identifies a further £30m of savings as being required to balance the budget.

7.4 The approved Capital Programme was revised in July to reflect the 2017/18 Outturn position. The additions in this report are all grant funded schemes.

8. Legal Implications

8.1 No direct implications.

9. Human Resources Implications

9.1 No direct implications.

10. Implications for Children and Young People and Vulnerable Adults

10.1 This report includes reference to the cost pressures on both Children's and Adult' Social care budgets.

11. Equalities and Human Rights Implications

11.1 No direct implications.

12. Implications for Partners and Other Directorates

12.1 No direct implications. As management actions are developed some of these may impact upon Partners. Timely and effective communication will therefore be essential in these circumstances.

13. Risks and Mitigation

13.1 At a time of economic difficulty and tight financial constraints, managing spend in line with the Council's Budget is paramount. Careful scrutiny of expenditure and income across all services and close budget monitoring therefore remain a top priority if the Council is to deliver both its annual and medium term financial plans while sustaining its overall financial resilience.

14. Accountable Officer(s)

Graham Saxton, Assistant Director – Financial Services
Nikki Kelly, Finance Manager

Approvals obtained on behalf of:-

| | Named Officer | Date |
|---|----------------------|-------------|
| Strategic Director of Finance & Customer Services | Graham Saxton | 31.08.2018 |
| Assistant Director of Legal Services | Dermot Pearson | 31.08.2018 |
| Head of Procurement (if appropriate) | N/A | |
| Assistant Director of Human Resources and Organisational Development (if appropriate) | N/A | |

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